

TENNESSEE REGULATORY AUTHORITY




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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

MEMORANDUM

TO: Chairman Deborah Taylor Tate

FROM: Joe Werner, Chief of Telecommunications 

DATE: September 8, 2003

SUBJECT: Establishment of Docket for Revision of Business Rates to Reflect Ad Valorem Tax Equity Payment pursuant to Tenn. Code Ann §67-6-221

I would like to request that all tariff filings to adjust rates for property tax savings pursuant to T.C.A. §67-6-221 be consolidated into one docket and that such docket be opened and assigned a panel.¹ These tariffs will be on the September 22, 2003 agenda for deliberation by the assigned panel.

All Telecommunications Companies are required to flow through property tax savings recognized pursuant to T.C.A. §67-6-221. The statute specifically in section 4 requires:

To the extent that a person engaged in the business of providing telecommunications services subject to tax under Title 67, Chapter 6 experiences a net tax savings solely as a result of receiving a payment under Section 3 of this act, such net tax savings shall inure to the benefit of the business customers of such person through an adjustment in the price of telecommunications services provided by such person, including business and interconnection services.....price adjustments shall be effective as of October 1, 2003 and as of October 1 of each year thereafter, based on the actual payment received by each company under Section 3 of this act with respect to the immediately preceding June 30 payment date and taking into account the cumulative amount of price adjustments previously implemented....

¹ The property tax flow through tariffs previously considered in March 2002, were under separate docket numbers. This was prior to the assignment of dockets to panels, therefore, consolidation was not necessary.

Telecommunication companies were notified to file tariffs, with an October 1, 2003 effective date, complying with the above cited law.

If this suggestion meets your approval please notify me so that I may have a docket established and placed on the September 22nd agenda.

Should you have any questions, please call me at extension 175.

Cc: Director Pat Miller
Director Sara Kyle
Director Ron Jones
Richard Collier